

VZCZCXRO7831  
PP RUEHBC RUEHDA RUEHDE RUEHIHL RUEHKUK  
DE RUEHGB #0162/01 0221515  
ZNR UUUUU ZZH  
P 221515Z JAN 08  
FM AMEMBASSY BAGHDAD  
TO RUEHC/SECSTATE WASHDC PRIORITY 5304  
INFO RUCNRAQ/IRAQ COLLECTIVE

UNCLAS SECTION 01 OF 02 BAGHDAD 000162

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E.O. 12958: N/A

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SUBJECT: Chalabi's Provision of Services Committee - January 17 &  
January 20

¶1. SUMMARY: The Provision of Services Committee met for the first time in slightly more than a month on Tuesday, January 15. The Ministries of Oil, Trade, Health, Education and Defense attended. The National Security Advisor was represented as was the Joint Planning Commission, Iraqi Ground Forces, the Amanat, FAQ (Baghdad Security Plan) spokesperson, MNF-I, MNC-I and the US Embassy. Topics included oil, highlighting kerosene and jet fuel shortages; inadequate schools; health; and significant service shortages in Ghazaliya. A special session was called on January 20 to address pharmaceutical procurement. END SUMMARY.

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Not Unlike Previous Meetings: Ministries Detail Issues  
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¶2. The Ministry of Oil (MoO) suggested that "some" entity be responsible for monitoring crude shipments to factories. It was previously reported that factories are selling the crude rather than using it to operate their facilities because it is more profitable. A committee member suggested that the local council be responsible for this issue, but no final decision was made. MoO reported that fuel had been provided to Sabi' Al Bor, a suburb of Baghdad, also a previous committee recommendation. The representative also asked MNF-I why repair to the 14" pipeline to Doura was postponed on January 15. MNF-I responded that the work will commence on January 24, but wasn't certain of the cause for delay. Finally, the MoO warned of continued jet fuel and kerosene shortages due to unreliable electricity at refineries. The MoO suggested purchasing generators to operate refineries when necessary. Fuel for the generators would still need to be supplied.

¶3. Representatives from the Ministry of Health (MoH) claimed that there was a nation-wide shortage of medical equipment like CT scans and MRIs. They also complained that there has been no resolution to the ongoing shortage of life saving medications. This procurement delay was attributed to Khamidiya, the MoH's internal procurement process, and the rules and regulations more generally governing prescription drug procurement. Chalabi called a special health session to be held on Sunday, January 20 to address this issue. The committee agreed. The MoH announced that the transfer of the Al Karkh Hospital was complete and it will open this week for military personnel.

¶4. Dr. Chalabi again rattled out numbers of schools needed nation-wide. He said that Baghdad alone needs 1,000 more. Previously land rights were an issue, but according to several committee members the Amanat, the Provincial Council and the Ministry of Education (MoEd) has come to an agreement. Chalabi requested a report on the schools throughout Baghdad, highlighting which schools need to be rehabilitated and where new schools can be built. ITAO Director Tokola reminded the committee that Prime Minister Maliki had suggested renting space for schools if construction would take long. The committee did not favor the idea of renting, but another member suggested the use of trailers.

¶5. The committee reviewed decisions taken to alleviate the potable water shortage in Nahrawan, including the use of trucks to deliver

water to the province. The Amanat said that tankers were not an efficient solution to the problem. They questioned who would be responsible for the tankers and they pointedly stated that the Baghdad Water Authority really should solve this problem.

¶6. Chairman of the Joint Planning Commission, Mr. Riyadh Filaheh discussed the inadequate services in Ghazaliya, due largely to militia influence. He reported that the JPC was reviewing service sector areas by security districts, as designated in the Baghdad Security Plan (BSP). The JPC will now review projects by political districts to ensure all areas are completely reviewed. Riyadh also noted that local councils have significant vacancies which continue to hinder local service delivery and infrastructure improvements. He said that individuals have volunteered, but were unqualified, lacking formal educations or having criminal records. Dr. Chalabi encouraged them to appoint local council members as quickly as possible.

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Special Session on Health Issues - Sunday, January 20  
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¶7. Dr. Chalabi, Dr. Adel, the Deputy Minister of Finance, the US Embassy Health Attach, Dr. Tahseen (the FAQ spokesperson), and two other representatives from MoH attended the special session on life saving drugs procurement. The DG of pharmaceutical safety joined the group at the very end of the meeting.

¶8. The first discussion revolved around the committee's previous recommendation to pay doctors overtime for on-call services. The Ministry of Finance (MoF) is still holding up this funding. Another letter will be sent to the PM urging his interference in this matter.

¶9. The group then discussed the best way to purchase 75 life saving

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drugs. They concluded that the current process is too cumbersome and will not allow for an immediate resolution to the ongoing shortage. The recommendation was adopted to send a letter to DPM Barham Saleh to authorize the MoH to purchase life saving drugs from the private sector directly, similar to the agreement the Ministry of Trade has regarding food purchases. It is not clear how many vendors are available to purchase drugs directly from in Iraq, but the IG estimated 14 vendors. Chalabi questioned whether or not the MoH's reputation with these vendors was strong enough for direct purchase. The IG insisted it would work. Chalabi also suggested that the current mandatory bidding process could be avoided if the MoH set a fixed price and then allowed any vendors to sell the product if they meet the MoH set price.

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Comment  
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¶10. After the lengthy holiday, the Services Committee seems to be back in the swing of things, business as usual. The Ministry of Electricity and the Baghdad Operations Command both were absent from the meeting, which Chalabi expressly noted, promising to send a letter to General Abhoud and Dr. Karim. An interesting observation was Dr. Chalabi's remark that the work of the Services Committee is not long-term, as that was the function of the ministries as well as the Amanat and Provincial Council. He emphasized short-term, immediate fixes.

Crocker